

OSA - 1790-67

Post Office Box 490
Greenville, Texas 75401

25 April 1967
In Reply Refer To:
8432-60350C-143

REGISTERED

SUBJECT : Contract NOw-66-0454, File Ref. JG-1967

TO :

(b)(3)

ATTENTION : Contracting Officer

Reference is made to our letter 8432-60350C-120, dated 22 March 1967, in which we requested additional funds and an extension in the period of performance to 30 April 1967.

Regretfully, the Contractor must request that the period of performance be extended to 30 June 1967, as this is our best estimate for delivery of a qualified aircraft at this time. Unfortunately, any extension necessitates increased costs, thus we must revise our estimate at complete.

Previous estimate of schedule slippage was based upon having an operable Inertial Navigation System installed in the project aircraft by 1 March 1967. Repeated technical difficulties with the Inertial System has resulted in its being installed and flown on 13 April. The integration of this Inertial System with the Loran and the Weapons Delivery Systems yet remains to be accomplished. It is now estimated that on a two flight per week basis, the portion of the flight test program based at Greenville, Texas, can be accomplished by 14 June 1967; the off-site or Patuxent River based tests will occur 15 through 30 June.

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The technical problems encountered in both the Inertial and Loran Systems have necessitated their being returned to their respective manufacturers' plants for repair and/or modification on numerous occasions. These periods of time necessitates series increasing of the flight test schedule since parallel testing had reached the point it was not economical or technically feasible to proceed without these two essential systems.

The costs stated herein have been discussed with your Technical Representative on his last visit to this facility on 4 April 1967.

Expended through February (Costs)	\$ 2,555,158.
Estimated March *	110,000. (excluded spares)
Estimated April	107,000.
Estimated May	100,000.
Estimated June	<u>90,000.</u>
	\$ 2,962,158.
Spares	<u>66,000.</u>
Estimated Costs	\$ 3,028,158.

* March Actuals were \$109,613.

We respectfully request that the contract be amended to reflect the following:

A. Period of performance be changed to 30 June 1967.

B. Estimated Costs	\$3,028,158.
Fixed Fee	<u>198,981.</u>
Estimated Costs Plus Fixed Fee	\$3,227,139.

3,028,158
<u>243,715.2</u>
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This request for funds is based on your telephone conversation with Mr. C. F. Wilson, in which you stated that the changes referred to in our aforementioned letter will be covered in the amendment being prepared at this time. Should further information or clarification be required, please contact Mr. Wilson.



D. L. Hearn
Vice President and General Manager

EHB:lw